

ESA Legislative and Budget Update

May 2010

New Legislation

During the 2010 legislative session, there was a great deal of concern expressed about the vulnerability of unemployed and underemployed citizens, and General Assistance for the Unemployable (GA-U) and Temporary Assistance for Needy Families (TANF) were the two primary assistance programs that were examined for effectiveness and efficiencies.

TANF Redesign

On April 1, the Governor signed Engrossed Second Substitute House Bill 3141 into law. She vetoed several sections of the bill, including the section that required a proposal for implementing three pathways for WorkFirst, Washington's TANF program, which focused on employment, education and training, and disability support.

The Governor did not veto the section of the bill that requires a 12-month child care authorization period for children in the Working Connections Child Care program who are enrolled in the Early Childhood Education and Assistance Program (ECEAP), Head Start, and Early Head Start. This change is effective July 1, 2010.

With the signing of E2SHB 3141, the Governor directed the WorkFirst Subcabinet (comprised of the OFM Director and the heads of the five WorkFirst partner agencies: Department of Social and Health Services, Employment Security Department, State Board for Community and Technical Colleges, Department of Commerce, and Department of Early Learning) to develop a redesign plan for WorkFirst that meets the needs of WorkFirst families to obtain employment and achieve family self-sufficiency. The target date for completing the TANF Redesign plan is December 2010.

The Subcabinet is committed to engaging stakeholders, Tribes, and employees in an open and transparent WorkFirst Re-examination planning process, and we hope to have an engagement strategy to share with you by early June.

GA-U Reform

With the passage of Engrossed Second Substitute House Bill 2782, the Governor and the Legislature have also called for a major reform of the state's GA-U program, one of the oldest safety net programs in Washington State. Major changes to the program include:

- A new name, Disability Lifeline.
- A time limit of 24 months in a five-year period, effective September 1 of this year through June 30, 2013. When the new time limit is implemented on September 1, we estimate about 2,300 individuals will lose their eligibility for benefits as they would have been on assistance for 24 months or more during a 60-month period

- A Disability Lifeline housing voucher program that will be administered by the Department of Commerce. This program will be for persons who are homeless and have been assessed as in need of chemical dependency or mental health treatment. In areas where housing is available under this new program, individuals will receive a housing voucher and a \$50 cash stipend instead of the GA-U monthly grant.
- The legislation requires the Department to contract with a managed health care system or other qualified entity to operate a project aimed at screening and quickly transitioning individuals with a disability who are likely to qualify for federal disability benefits into the Disability Lifeline Expedited Program, now known as GA-X. The pilot is to begin in King, Pierce and Spokane counties by July 1, 2010 and be expanded statewide by October 1, 2011.

E2SHB 2782 also requires the creation of an "Opportunity Portal," a web-based universal application/benefit portal that is designed to make it easier for low-income families and individuals to apply for and access a broad array of services and benefits. Creation of the "Opportunity Portal" is contingent upon the state securing private funding by December 2010.

In addition, the bill requires the expansion of the Basic Food Employment and Training program to three additional community college or community-based locations and increased capacity at existing locations, subject to federal approval. Recipients of Basic Food, unless exempt, are required to participate in the program which included job search workshops and assistance with job placement. Currently there are 12 community colleges participating in the program.

Child Support Modifications for Non-Assistance Cases

On April 1, the Governor signed into law **Substitute House Bill 3016**. This is the legislation that our Division of Child Support proposed to clarify the department's authority to facilitate a non-assistance modification, consistent with federal requirements. Passage of this bill also allows parties in state cases, unless there is a showing of good cause, to testify or be deposed as part of a child support proceeding by telephone, audiovisual means, or other means when in-person appearances would be difficult (e.g., due to incarceration or domestic violence issues). This is currently allowable in interstate cases.

'Furlough' Bill

On April 27, the Governor signed into law **Engrossed Substitute Senate Bill 6503**, known as the 'state worker furlough bill'. The budget includes reductions of \$35.9 million GF-State associated with furlough days. Of this amount, the Department of Social and Health Services has \$8.1 million, and ESA's share of that is a reduction of \$2.4 million in State Fiscal Year 2011.

State agencies that are not exempt from the furlough and do not have an OFM-approved plan for achieving their employee compensation savings target are directed to close for 10 days during SFY 2011.

Certain workers are exempted from the furlough, including those involved in support enforcement activities in the Department of Social and Health Services. The bill also allows employees earning \$30,000 or less to use vacation leave on furlough days to avoid a pay cut.

Furlough days would not affect an employee's vacation leave accrual, seniority, health insurance or sick leave credits. Employees would also not have their retirement pension calculations reduced for salary that was not earned as a result of a state agency's expenditure reduction efforts.

Supplemental Budget for ESA

General Assistance Program

The budget includes a proviso that prohibits the Department from making any changes prior to September 30, 2010 to the regulations used to determine incapacity for the Disability Lifeline (new name for General Assistance) program, with one exception: provisions related to the use of Administrative Review Teams and obsolete terminology and functional assessment language can be updated on or after July 1, 2010. The incapacity determination regulations can only be amended after September 30, 2010 if grant expenditures for the program in State Fiscal Year 2011 are projected to exceed \$69.6 million by 3% or more, as reported to the Legislature by the Department and Caseload Forecast Council by September 21, 2010.

The Department will not move forward with the proposed May 1, 2010 implementation of changes that would allow for a more restrictive use of social and vocational factors when making an incapacity determination, so that persons who are capable of some kind of gainful employment would not be considered incapacitated.

WorkFirst Reductions

The budget assumes \$23.7 million in total savings from a number of changes to the WorkFirst program starting in July 2010. These changes include:

- Reducing the non-compliance sanction period for families not complying with program requirements from six to four months.
- Requiring a four-week "cure" period for all families in sanction who leave TANF and later reapply. These families would be required to comply with program requirements for four consecutive weeks to qualify again for a cash grant.
- Reducing Working Connections Child Care costs by allowing single parents with children under age six to participate in required work activities for 20 hours a week instead of the current 32 hours a week.
- Eliminating Career Services for non-WorkFirst families receiving Basic Food benefits.
- Reducing funding to the Employment Security Department for WorkFirst job search services by \$2.4 million for SFY 2011.

Working Connections Child Care (WCCC)

- Transfers policy responsibility for WCCC from the Department of Early Learning to the Department of Social and Health Services. ESA staff in the Department of Social and Health Services currently determine eligibility and authorize payments for WCCC.

Refugee Assistance

- Provides \$200,000 in additional state funding for grants to small mutual assistance or community-based organizations to provide transitional assistance, language skills, and other resources that improve the economic self-sufficiency of refugees.

Distribution of Federal Tax Refund Intercept for Child Support

- Temporarily changes the distribution of back child support payments from IRS refunds by allowing the state to have first priority to keep some or all of the refund money to recover any public assistance debt owed to the state.

Administrative Reduction

The budget includes a total administrative reduction for ESA of 74 FTEs and \$14.1 million. \$9.3 million of this reduction is for State Fiscal Year 2011. ESA is taking a number of steps to achieve FTE reductions, including a 10% reduction in headquarters staff, a 6% reduction in Regional Administration, increasing supervisory spans of control, and consolidating regional business staffing.